

Springerville Town Council  
Public Hearing  
Minutes  
March 12, 2008  
6:00 p.m.

Present: Kay Dyson Mayor, Mary Nedrow Vice Mayor, Eric Baca, Pete Hunt and Phelps Wilkins

Staff; Steve West Interim Manager, Val Cordova Town Clerk, Larisa Bogardus, Tom Malone and Karen Asquith.

Public: Gary and Lynn Deery, Kevin Burk, Dennis Weiskircher, Judy Hayes, Leon and Judy Baldonado, Frank Gidney, Dave and Amy Pulsifer.

1. The meeting was called to order at Mayor Dyson 6:05 p.m. with a quorum.

2. **RESOLUTION 2008-R002:** Consider approval of Resolution 2008-002 authorizing an application for Greater Arizona Development Authority Technical Assistance grant to develop a capital improvements plan.

Ms. Bogardus explained that we are applying for \$20,000 to hire an engineering consultant to evaluate the tentative capital improvements plan and attach solid costs, outline a timeline prioritization and put together funding strategies.

Phelps Wilkins/Mary Nedrow motion to approve resolution 2008-R002.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Eric Baca
		Pete Hunt
		Phelps Wilkins

3. **PUBLIC HEARING:**

a. Consider entering into public hearing to take public comments regarding proposed water and wastewater rate increases.

Mary Nedrow/Pete Hunt motion to go into public hearing.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Eric Baca
		Pete Hunt
		Phelps Wilkins

Mr. West reviewed for the public that the town is far behind what we have been charging over the last ten years compared to our costs. The town has subsidized our water fund to the tune of \$300,000 plus over the last ten years from our general fund. We are missing out on grant opportunities to help our infrastructure and can't do that if we're not trying to get to the state average. Losing that much money over the last ten years means not fire trucks, police cars, etc. The consensus at the last meeting was that we should pay back the general fund. The other issue is Hurf money which has to be reimbursed at about one million dollars plus. The total amount that needs to be paid back after this years audit will be \$1.7 million. He explained that we wanted to get into a matrix over the next five years to develop the water funds. The costs to develop our infrastructure for water and waste water and we have not met our obligations to take care of those fixes. As we pay back our general fund we will then be on maintenance and care of our water resources and capital projects for water and sewer.

Ms. Asquith stated that we are not even breaking even, we're losing money because we haven't increased any fees as the town's costs have gone up. We are running deficits.

Mr. West stated that we won't meet where the water rates need to be for a minimum of five years.

Mayor Dyson stated that our wastewater plant is over twenty years old that needs modifications. We are working on getting grants but those grants require matches. The alternative they chose will only cost \$.25 cents a day or \$7.32 a month noting that as the rates go up water conservation will probably stimulate.

Public: What is the percentage of the rate increase.

Ms. Asquith stated that she didn't have those percentages with her but for three years the percentages will be higher than the rate of inflation and then will come down. She said there would be a bit of front loading in the for the first three years but then the percentage would come down.

Public comment: The percentage of the increase is fifteen percent.

Mr. West answered saying if we look at comparisons we are pretty cheap. We have to front load the increase but it will come down in three years. He said his concern is that each year we have to subsidize \$324,000 in the water and wastewater fund. We will only gain \$40,000 in the first year but reminded everyone that some of this money from water and waste water will go back into capital improvements.

Mayor Dyson stated that we need a capital improvement plan to repair our 40- to 45-year-old infrastructure.

Public comment: Ms. Pulsifer stated her concern with the fact that these increases are over fifteen percent per year to make it pay for itself.

Karen stated that one of the negative impacts is that we will not be able to fund governmental services such as public safety, parks, fire, chamber, and EDAC if we don't find a solution. It's not just money needed to support the water and sewer but money going out of the general fund to support the wastewater fund. Our State Shared revenues are declining too.

Public comment: Mr. Gidney said that in other places he has lived the water deposits are refunded after a year but they are not refunded here and asked if the money was sitting in an account earning interest.

Ms. Asquith answered that this money doesn't legally belong to the town. It sits in the town's financial records as a liability and it does nothing for revenue because it is refunded eventually when people leave.

Ms. Bogardus advised that this is being discussed by the Utility Board.

Public comment: Ms. Pulsifer stated she was concerned with the fact that she currently pays \$43.75 in five years she will be paying \$105.00. She didn't feel that a person could conserve that much water.

Ms. Asquith reiterated that the town is well below the state average and we will be trying to set up a relief fund for low income people. As a business the town can't afford to construct our rate plan around the lowest income people in the community. We have to be able to support the operation and not loose money.

Mayor Dyson advised everyone that the council would look at these rates every couple of years.

Public: Where is the break even point where this is paid off and we are no longer supplementing?

Mr. West explained that said that this would happen in the fifth or sixth year but it could be sooner if growth happened.

Councilman Hunt clarified further stating that we are not paying \$324,000 for the next five years it will be decreasing. In five years time we will have approximately have \$972,000 in our general fund that can be

spent because we won't be subsidizing the \$324,000 and in five years commercial will be paying \$490.00 from \$201.00 they pay now.

Mayor Dyson stated that this is a fee everyone has control over. Water is a resource and everyone needs to be more conscientious about how they use it. It will cost residents about twenty five cents a day more.

b. Phelps Wilkins/Mary Nedrow motion to adjourn the public hearing at 6:08p.m.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Eric Baca
		Pete Hunt
		Phelps Wilkins

3. **ADJOURNMENT:**

Pete Hunt/Mary Nedrow motion to adjourn the meeting at 7:08p.m.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Eric Baca
		Pete Hunt
		Phelps Wilkins

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Kay Dyson, Mayor

ATTEST:

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Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in a special public hearing on Wednesday March 12, 2008. I further certify that the meeting was duly called and a quorum was present.

Dated this 24<sup>th</sup> day of March 2008

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Town Clerk